

Office of Regulatory Management
Economic Review Form

Agency name	Board of Housing and Community Development
Virginia Administrative Code (VAC) Chapter citation(s)	13 VAC 5 – 91
VAC Chapter title(s)	Industrialized Building Safety Regulations
Action title	Update the Industrialized Building Safety Regulations
Date this document prepared	January 5,2023

Cost Benefit Analysis

Table 1a must be completed for all actions. Tables 1b and 1c must be completed for actions (or portions thereof) where the agency is exercising discretion, including those where some of the changes are mandated by state or federal law or regulation. Tables 1b and 1c are not needed if **all** changes are mandated, and the agency is not exercising any discretion. In that case, enter a statement to that effect.

- (1) Direct Costs & Benefits: Identify all specific, direct economic impacts (costs and/or benefits), anticipated to result from the regulatory change. (A direct impact is one that affects entities regulated by the agency and which directly results from the regulatory change itself, without any intervening steps or effects. For example, the direct impact of a regulatory fee change is the change in costs for these regulated entities.) When describing a particular economic impact, specify which new requirement or change in requirement creates the anticipated economic impact. Keep in mind that this is the proposed change versus the status quo. One bullet has been provided, add additional bullets as needed.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of total (overall) direct costs described above.
 - (b) Enter estimated dollar value of total (overall) direct benefits described above.
 - (c) Enter the present value of the direct costs based on the worksheet.
 - (d) Enter the present value of the direct benefits based on the worksheet.
- (3) Benefits-Costs Ratio: Calculate d divided by c OR enter it from the worksheet.
- (4) Net Benefit: Calculate d minus c OR enter it from the worksheet.
- (5) Indirect Costs & Benefits: Identify all specific, indirect economic impacts (costs and/or benefits), anticipated to result from the regulatory change. (An indirect impact is one that results from responses to the regulatory change, but which are not directly required by the regulation. Indirect impacts of a regulatory fee change on regulated entities could include a change in the prices they charge, changes in their operating procedures or employment levels, or decisions to enter or exit the regulated profession or market. Indirect impacts also include responses by other entities that have close economic ties to the regulated entities, such as suppliers or partners.) If there are no indirect costs or benefits, include a specific statement to that effect.

- (6) Information Sources: Describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why they are not.
- (7) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Agency Note: The Uniform Statewide Building Code, Statewide Fire Prevention Code, Industrialized Building Safety Regulations, and the Virginia Amusement Device Regulations are based on national model codes and standards. These codes and standards are incorporated by reference except where Virginia makes specific amendments in compliance with state law or via its extensive stakeholder development process.

National Model Codes – Development Overview

The International Code Council (ICC) develops construction and public safety codes through a governmental consensus process. The Code Council governmental consensus process meets the principles defined by the National Standards Strategy of 2000, and the OMB Circular A-119, Federal Participation in the Development and Use of Voluntary Consensus Standards and in Conformity Assessment Activities (1998). It complies with Public Law 104-113 National Technology Transfer and Advancement Act of 1995.

Openness

- Participation in the development of the codes, including code hearings, is open to all at no cost.
- Anyone can submit a code change proposal or make a public comment.
- Code committees must consider all views before voting.

Transparency

- Evidence of committee vote, with reason, must be documented.
- Final decisions are made in an open hearing by public safety officials.

Balance of Interests

- Committee members represent general interests, user interests, producer interests, or multiple interests. One-third of the committee's members must be public safety officials.
- Committee members cannot vote on issues that are a conflict of interest.
- ICC membership is not a condition of committee membership.

Due Process

- A code change proponent has the opportunity to rebut opponents and vice versa.
- Anyone who attends the hearing can testify.
- Committees are required to consider all views, objections and the cost impact of all code change proposals.

Appeals

- Anyone can appeal an action or inaction of the code committee.
- ICC renders its decision on the appeal based on whether due process was served.

Consensus

- Committee members vote to approve the code change, make modifications to it, or vote against it.
- A simple majority from the committee decides the action of the proposed code change.

A link to the national process is here: <https://www.iccsafe.org/products-and-services/i-codes/code-development/current-code-development-cycle-archive-2018-2019/>

Other Standards Incorporated – In addition to the ICC Model Codes, the Uniform Statewide Building Code, Statewide Fire Prevention Code, Industrialized Building Safety Regulations, and the Virginia Amusement Device Regulations incorporate other national standards. The process for each standard is governed by the promulgating organization, but all generally follow the American National Standards Institute (ANSI) accredited process of balanced committees, openness and appeals, etc. and are subject to regular review.

This document identifies changes to the existing regulation. The changes included in this action are clarifications/editorial in nature. For example, they correct references to other codes, clarify existing language, or remove duplicative provisions. The table included at the end identifies all editorial/clarification proposals – these proposals are not believed to have a cost impact. Generally, cost impact and benefit information is as provided by a proposal’s proponent and where proponents have provided specific scenarios, this information is included. As described in detail below, this action is not believed to have a cost impact for local governments (Table 2). Detailed code change proposal information is available at - <https://www.dhcd.virginia.gov/board-housing-and-community-development-bhcd> under 2021 Code Development Cycle.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

(1) Direct Costs & Benefits	<ul style="list-style-type: none"> • None expected. 		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a)	(c)	
Direct Benefits	(b)	(d) 1)	
(3) Benefits-Costs Ratio		(4) Net Benefit	

(5) Indirect Costs & Benefits	1)
(6) Information Sources	Code change proposals as submitted.
(7) Optional	

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

This table addresses current requirements and the implications of not making any changes. In other words, describe the costs and benefits of maintaining the current regulatory requirements as is.

Agency Note: A majority of the changes included in this action are clarifications/editorial in nature. For example, they correct references to other codes, clarify existing language, or remove duplicative provisions. For these changes, maintaining the regulation without change may result in confusion or implementation challenges.

(1) Direct Costs & Benefits	<ul style="list-style-type: none"> • See agency note. 		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a)	(c)	
Direct Benefits	(b)	(d)	
(3) Benefits-Costs Ratio		(4) Net Benefit	
(5) Indirect Costs & Benefits			
(6) Information Sources	Code change proposals as submitted.		

(7) Optional	
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Table 1c: Costs and Benefits under an Alternative Approach

This table addresses an alternative approach to accomplishing the objectives with different requirements. These alternative approaches may include the use of reasonably available alternatives in lieu of regulation, or information disclosure requirements or performance standards instead of regulatory mandates

Agency Note: In general, the Uniform Statewide Building, Statewide Fire Prevention Code, Industrialized Building Safety Regulations, and the Virginia Amusement Device Regulations are performance-based codes. Outside of general administrative requirements, the codes typically offer various compliance paths to achieve the desired construction outcome. As the codes are performance based, the ability to provide alternative approaches is part of the framework of the codes.

The changes included in this action are clarifications/editorial in nature. For example, they correct references to other codes, clarify existing language, or remove duplicative provisions. For these changes, the alternative would be maintaining the regulation without change, which may result in confusion or implementation challenges.

(1) Direct Costs & Benefits	See agency note.		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a)	(c)	
Direct Benefits	(b)	(d)	
(3) Benefits-Costs Ratio		(4) Net Benefit	
(5) Indirect Costs & Benefits			

(6) Information Sources	Code change proposals as submitted.
(7) Optional	<p>Virginia is required by code to consider national model codes and standards in the development of its construction codes and as such, it is important to stay current with the latest updates of these standards. The alternative is to continue to utilize older editions of the model codes. Updates are beneficial to consumers and regulants in considering the newest technologies and safety considerations as well as staying current for insurance rating agencies, FEMA, and other entities.</p> <p>Virginia’s code updates process offers all affected stakeholders significant opportunity to propose amendments to the national model codes that work best for Virginia. There is an open and transparent stakeholder process prior to the adoption of the codes.</p>

Impact on Local Partners

- (1) Describe the direct costs and benefits (as defined on page 1) for local partners in terms of real monetary costs and FTEs. Local partners include local or tribal governments, school divisions, or other local or regional authorities, boards, or commissions. If local partners are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of total (overall) direct costs described above.
 - (b) Enter estimated dollar value of total (overall) direct benefits described above.
- (3) Indirect Costs & Benefits: Describe any indirect benefits and costs (as defined on page 1) for local partners that are associated with all significant changes. If there are no indirect costs or benefits, include a specific statement to that effect.
- (4) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why they are not.
- (5) Assistance: Identify the amount and source of assistance provided for compliance in both funding and training or other technical implementation assistance.
- (6) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Agency Note: The Industrialized Building Safety Regulations (IBSR) are enforced by local building departments. While any changes to the IBSR must be carried out via the local building department, DHCD and the Virginia Building Code Academy provide training to impacted building departments. Please see item 5 and 6 below.

Table 2: Impact on Local Partners

(1) Direct Costs & Benefits	\$0
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) \$0
Direct Benefits	(b) \$0
(3) Indirect Costs & Benefits	\$0
(4) Information Sources	Code change proposals as submitted.
(5) Assistance	The Department of Housing and Community Development provides training to all local government code officials on code changes at no cost in many cases. Training is conducted via the nationally recognized Virginia Building Code Academy.
(6) Optional	Many code change proposals are submitted by local government officials; local government officials have an active part in the code development process and a local government code official is a member of the Board.

Economic Impacts on Families

- (1) Describe the direct costs and benefits (as defined on page 1) to a typical family of three (average family size in Virginia according to the U. S. Census) arising from any proposed regulatory changes that would affect the costs of food, energy, housing, transportation, healthcare, and education. If families are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of direct costs.
 - (b) Enter estimated dollar value of direct benefits.
- (3) Indirect Costs & Benefits: Describe any indirect costs and benefits (as defined on page 1) to a typical family of three that are most likely to result from the proposed changes.
- (4) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why not.
- (5) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 3: Impact on Families

(1) Direct Costs & Benefits	<ul style="list-style-type: none"> • None expected.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	
Direct Benefits	(a)
(3) Indirect Costs & Benefits	
(4) Information Sources	Code change proposals as submitted.
(5) Optional	

Impacts on Small Businesses

- (1) Describe the direct costs and benefits (as defined on page 1) for small businesses. For purposes of this analysis, “small business” means the same as that term is defined in § 2.2-4007.1. If small businesses are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
 - (a) Enter estimated dollar value of direct costs.
 - (b) Enter estimated dollar value of direct benefits.
- (3) Indirect Costs & Benefits: Describe the indirect benefits and costs (as defined on page 1) for small businesses that are most likely to result from the proposed changes.
- (4) Alternatives: Add a qualitative discussion of any equally effective alternatives that would make the regulatory burden on small business more equitable compared to other affected business sectors, and how those alternatives were identified.
- (5) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why not.
- (6) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

Table 4: Impact on Small Businesses

(1) Direct Costs & Benefits	<ul style="list-style-type: none"> • None expected.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a)
Direct Benefits	(b)
(3) Indirect Costs & Benefits	
(4) Alternatives	<p>Virginia is required by code to consider national model codes and standards in the development of its construction codes and as such, it is important to stay current with the latest updates of these standards. As such, the alternative is to continue to utilize older editions of the model codes. Maintaining up to date codes is beneficial to consumers and regulants in considering the newest technologies and safety considerations as well as staying current for insurance rating agencies, FEMA, and other entities.</p> <p>Virginia’s code updates process offers all affected stakeholders significant opportunity to propose amendments to the national model codes that work best for Virginia. There is an open and transparent stakeholder process prior to the ultimate adoption of the codes.</p>
(5) Information Sources	Code change proposals as submitted.
(6) Optional	

Changes to Number of Regulatory Requirements

For each individual VAC Chapter amended, repealed, or promulgated by this regulatory action, list (a) the initial requirement count, (b) the count of requirements that this regulatory package is adding, (c) the count of requirements that this regulatory package is reducing, (d) the net change in the number of requirements. This count should be based upon the text as written when this stage was presented for executive branch review. Five rows have been provided, add or delete rows as needed.

Agency Note: As noted above, the Uniform Statewide Building Code, Statewide Fire Prevention Code, Industrialized Building Safety Regulations, and the Virginia Amusement Device Regulations are performance-based codes. Outside of general administrative requirements, the codes typically offer various compliance paths to achieve the desired construction outcome. As such, most code changes impact the number of requirements (either plus or minus) should a regulant pick a particular approach. The changes included in this action did not include new administrative requirements which would be broadly applicable regardless of performance path chosen.

Proposals that are not have expected cost impact		
Proposal ID	VAC Section Number (13VAC5-91-...)	Description
IB20-21	20	Editorial change related to approval of intermodal shipping containers as building modules or components of an industrialized building.
IB60-21	60	Editorial change related to the issuance of notices of violations under the IBSR.
IB115-21	115	Clarifies that the local building official may approve a change of occupancy of a registered industrialized building.
IB120-21	120	Clarifies options for approval of unregistered industrialized buildings.
IB140-21	140	Clarifies that the report to the SBCO is for moved buildings with active violations.
IB160-21	160; 170	Incorporates the new ICC/MBI 1200-2021 and ICC/MBI 1205-2021 Offsite Construction Standards.